



Department of Energy
Washington, DC 20585

WEATHERIZATION PROGRAM NOTICE (WPN) 22-11
EFFECTIVE DATE: August 26, 2022

SUBJECT: WAP Modification Guidance for Sustainable Energy Resources for Consumers (SERC) Grants

PURPOSE: To issue guidance for the Grantees who need to complete grant modifications based on the receipt of grants to undertake Sustainable Energy Resources for Consumers (SERC) projects.

SCOPE: The provisions of this guidance apply to States or other entities named as recipients of SERC Grants funding within the Department of Energy (DOE) Weatherization Assistance Program (WAP).

LEGAL AUTHORITY: Title IV, Energy Conservation and Production Act (ECPA), as amended, authorizes the Department to administer the WAP (42 U.S.C. § 6861, et. seq.). All grant awards made under this Program shall comply with applicable law and regulations including, but not limited to, the WAP regulations contained in the Code of Federal Regulations (CFR) at 10 CFR 440, DOE Financial Assistance Rules at 2 CFR 200, and the Bipartisan Infrastructure Law (Infrastructure Investment and Jobs Act), Public Law 117-58.

Title IV of the Energy Independence and Security Act of 2007 (EISA), Section 411(b), authorizes SERC grants.

BACKGROUND: [Title IV of the Energy Independence and Security Act of 2007 \(EISA\), Section 411\(b\).](#) (Pub. L. 110-140, title IV, §411(b), Dec. 19, 2007, 121 Stat. 1600), states if the WAP appropriated grant funds equal or exceed \$275 million, the DOE Secretary may elect to use up to two (2) percent of the amount of funds made available for SERC Grants. DOE made approximately \$12 million available for SERC grants based on the Fiscal Year (FY) 2020 and 2021 appropriations. On December 15, 2021, DOE invited WAP Grantees to submit projects on behalf of their Subgrantees to be considered for SERC funding. DOE has selected five (5) Grantees to receive SERC funds; therefore, these selected Grantees must amend their Program Year (PY) 2022 WAP State Plan.

GUIDANCE: Grantees who have been notified that they will be awarded SERC funds must update their existing PY 2022 State Plans and utilize the guidance in this WPN.

Period of Performance: The SERC grant's period of performance will follow PY2022 WAP awards, which are structured as three (3) annual budget periods, contingent on the availability of funds. Reporting requirements for the period of performance will align with the Federal Assistance Reporting Checklist (FARC) attached to the Grantee contract.

Use of Funds: SERC funds are not subject to the WAP Average Cost per Unit (ACPU) expenditure limit for PY 2022 (\$8,009 per home and \$3,929 for renewable energy systems). The ACPU expenditure limit applies to standard Weatherization work and will not be considered when calculating dollar expenditure limits under WAP (the expenditure limit under [10 CFR 440.18](#) apply only to funds provided under WAP). As a reminder, SERC is intended to support renewable technologies that do not meet the Savings to Investment Ratio (SIR). If a measure meets the SIR, then it should be paid for with annual appropriated funds.

Grantees need to ensure National Environmental Policy Act (NEPA) compliance when implementing their plans. Based on selected technologies, Grantees may be required to submit additional information for a NEPA review. A NEPA training will be required, and more information will be provided at the kick-off webinar.

Grantee Plans: The specific sections of the PY 2022 application documents identified below must be updated to reflect SERC funding and project details **no later than November 1, 2022**. The Performance and Accountability for Grants in Energy (PAGE) system is the platform through which Grantees must make these revisions to their existing PY 2022 application documents.

Grantees must **upload their SERC plans as an attachment to the Standard Form (SF) 424**. The SERC plan should contain the same elements as included in the SERC application. Any updates or changes to the plan shall be noted in the Miscellaneous section of the Annual File along with other requested items below.

The state plan sections and content updates that must be included are as follows:

1. **SF 424-A (Budget).** The SERC grants being awarded must be added to the Grantee's total PY 2022 budget.
2. **SF 424-B (Budget Categories).** Four additional SERC budget categories must be created in PAGE to budget and later report on the expenditure of SERC grants. All added budget categories must have whole dollar values in each cell.

The SERC budget categories are:¹

- a) SERC Grantee Administration
- b) SERC Subgrantee Administration
- c) SERC Health and Safety (H&S)
- d) SERC Program Operations

SERC Grantees should consider [Weatherization Program Notice \(WPN\) 22-1](#) and the attached Application Instructions regarding allowable Administration costs and budget allocations. PY 2022 formula allocation rules apply to these new budget categories. For example, all administrative cost categories cannot exceed 15% of the total PY 2022 award (SERC + WAP). The total Subgrantee Administration must be at least 7.5% of the total awarded funds and Grantee Administration cannot be more than 7.5% of the total award. Grantees may need to update their existing budget categories based on the rules that apply to the overall grant.

Training and Technical Assistance (T&TA): SERC grants may be used to provide training of workforce to install SERC technologies for which Grantees have been approved and funded, and training of clients for proper operation and maintenance of the SERC technologies installed. T&TA funds must be included under Health & Safety (H&S) or Program Operations, if utilizing SERC funds for T&TA. WAP T&TA funds already distributed may also pay for T&TA activities that are consistent with the permitted uses of WAP T&TA funds.

3. **424-B (Budget Justification).** Update the Budget Justification to reflect the activities in the added SERC budget categories (SERC Grantee Admin, SERC H&S, etc.) as they relate to each object class (personnel, fringe, contract, etc.). A justification is required for each new budget category and how the SERC grants will be used in each object class. **Ensure that the additions in the budget justification clearly reflect that they are related to SERC** by adding “SERC” at the beginning of the title of the item you are describing. For example, if adding a new staff person to Personnel as a Manager of Energy Programs to perform SERC activities, list them as “SERC: Manager of Energy Programs.” Grantees should ensure they consider the various object classes in their budgets and add a new line when there is additional SERC detail. Refer to [WPN 22-1](#) when additional context or detail is needed regarding the budget.

¹ Ensure to only select SERC labeled budget categories.

4. **Annual File.** Update the following sections to incorporate SERC:

- a. *II.3 Subgrantees.* A new table must be created for SERC that details the SERC Subgrantees, City, planned SERC funding, and planned SERC units.
- b. *II.4 WAP Production Schedule.* A new table must be created for the SERC production plan in PAGE. Grantees must enter the total number of planned units excluding and including reweatherized units. If a Grantee is planning to include a reweatherized unit, they need approval from their DOE Technical Project Officer.
- c. *II.5 Energy Savings.* Grantees must identify the methodology used to calculate energy savings and provide the estimated energy savings of the project.
- d. *1.9 State Plan Hearings.* Add a new Hearing Date, and if necessary, update the list of newspapers that publicized the hearings.
- e. *11.11 Miscellaneous.* **This is where Grantees include information that is either not already detailed in the SERC plan or has changed from the application.** A new text box labeled “SERC” will be available in PAGE within the Miscellaneous section where the requested details below can be entered. The following topics need to be included (where applicable) for the DOE Programmatic Project Officer to approve.
 - Project Overview and Goals. Grantees shall include a project timeline and milestones. This section will also be used to describe any changes made to SERC project goals or technologies to be installed.
 - Anticipated Measures. Provide a list of all anticipated measures to be completed with SERC along with a count of the total planned installs. Note any changes from the project plan.
 - Diversity, Equity, and Inclusion (DEI). Provide a brief description of how the project integrates diversity, equity that includes 2-3 Specific, Measurable, Achievable, Relevant, and Time-bound (SMART) goals related to anticipated outcomes. This section should include a clear statement of how the project will define underserved communities, which will be used for reporting project expenditures and completed units.

- Grantee Monitoring. Grantees must describe the monitoring process for SERC projects and include final inspection and quality assurance processes on materials that are not covered under the existing inspection processes. (Note: Funding for monitoring may come from SERC administrative costs, or from WAP T&TA funds already distributed).
- SERC T&TA. Describe all training and technical assistance to be provided for SERC projects. Include known training providers and any workforce credentials that will be required for field staff/contractors and how those will be tracked. For each item, state whether SERC funds will be used, or WAP T&TA funds will be used. Any Client Education should also be included in this section.
- SERC Analysis and Effectiveness. An analysis must be provided by the Grantee, per [10 CFR 440.14\(c\)\(6\)\(i\)](#), of the existence and effectiveness of any weatherization project being carried out by the Subgrantees. This can be done annually or as a special analysis. Grantees must provide a plan for analysis of effectiveness of the SERC measures.
- Income eligibility. If any Subgrantee's project proposes to undertake SERC activities utilizing a different eligibility procedure than the existing approved procedures in the Grantee's state plan, then that information must be provided in the SERC plan. In addition, Grantees must include their plan and strategy to serve high burdened households and eligibility of households in underserved communities.
- H&S. Grantees must identify and describe any changes to the H&S Plan.

If you plan to update sections of your documents not listed here, please contact your DOE Programmatic Project Officer to discuss.

CONCLUSION: Grant modifications are necessary for DOE Programmatic Project Officers to provide final approval for the release of SERC grants. SERC projects will expand WAP and provide for the implementation of non-traditional weatherization measures on low-income dwellings to reduce energy. DOE looks forward to working with Grantees and Subgrantees on the implementation of these projects.

Please contact your DOE Programmatic Project Officer with questions or if you need further information.

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GARCIA**

Anna Maria Garcia

Director

Office of Weatherization and Intergovernmental Program
Energy Efficiency and Renewable Energy

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Attachment: Fiscal Year (FY) 2020 and 2021 Appropriations Sustainable Energy
Resources for Consumers (SERC) Grant Recipients

Attachment: Fiscal Year (FY) 2020 and 2021 Appropriations Sustainable Energy Resources for Consumers (SERC) Grant Recipients

- **New York:** The New York State Homes and Community Renewal (HCR) Office of Housing Preservation will install heat pump water heaters, air source heat pumps, solar photovoltaic, and geothermal technologies on weatherization units, working particularly in opportunity zones and with Native American tribes.
- **New Mexico:** The New Mexico Weatherization Assistance Program is transforming WAP Projects into Grid Efficient Buildings by installing solar photovoltaic, battery energy storage systems, heat pump water heaters, air source heat pumps, and building energy management systems in multifamily projects. Project work will be focused in opportunity zones and is expected to improve home energy performance by at least 30% over baseline.
- **Minnesota:** The Minnesota Weatherization Assistance Program will prepare weatherization participants for the changing climate by outfitting homes with prefabricated exterior expanded polystyrene (EPS) walls. Minnesota is focusing its work in historically redlined districts in Hennepin County, MN, and particularly engaging census tracts with a high Social Vulnerability Index.
- **Pennsylvania:** The Pennsylvania Weatherization Assistance Program is demonstrating that additional energy savings can be achieved in weatherized homes through expanding energy saving materials and technologies, specifically hybrid water heaters. The project will target five census tracts that are Opportunity Zones and underserved rural communities (USDA-designated towns) in Luzerne County, PA.
- **Massachusetts:** The Massachusetts Weatherization Assistance Program will install air-source heat pump technology in combination with the traditional components of full-scale weatherization measures at each project dwelling unit. The project will target Municipal Utility service territories and Gateway Cities facing social and economic challenges. Historically underserved due to lack of utility funds for low-income retrofits.